

April 25, 2002

Re: Advanced Notice of Proposed Rulemaking on Distributed Resources

To Whom It May Concern,

As you know, the Indiana Utility Regulatory Commission has initiated a discussion on the topic of distributed resources in Indiana. We would like to thank all parties who filed preliminary comments in March; we found them to be both thoughtful and insightful. The Commission Staff very much appreciates the willingness of everyone to engage in this collaborative process. For those parties who have not yet filed comments, please feel free to attend the workshop and to participate. The Commission wants to encourage participation from as many diverse parties as possible.

Following this letter is an agenda for our first workshop to be held on May 9, 2002, at 9:30 a.m. in the Indiana Government Center South, Room TC-05. By providing this agenda in advance, we hope to assist the attendees in preparing for their participation and in deciding who from their organization should attend the workshop. The agenda is intended to serve as a loose outline for discussion and is largely based on the comments received by the Commission to date.

In addition, we are recommending that all parties read AEP's "Requirements for Connection of Small Distributed Energy Resource Facilities to the Local Distribution Company's Distribution System" for 25 kW and Below (Residential/Small Commercial), as well as their Three-Phase Application for those facilities larger than 25 kW. We found these to be quite comprehensive in their scope and are considering using them as a basis for our rule, especially because they are already currently in place and functioning in other states. Also recommended are our current cogeneration tariffs. Please consider whether it would be appropriate for the Commission to adopt the current tariffs in the course of this rulemaking.

Further, we are recommending that all parties read the description of Virginia's net metering program for informational purposes. Our hope is that the Virginia program can serve as a starting point for discussion on this topic. We would appreciate it if all attendees would read these documents and be prepared to comment on them at the workshop.

Further information about the process can be found by going to the Commission's electricity website <http://www.in.gov/iurc/utilities/energy/indexelectric.html>, and clicking on the link entitled

'Distributed Resources Workgroup'. All previously filed comments are available on the aforementioned website, as is a copy of the Commission Staff's White Paper on the subject. In addition, all documents recommended for reading before the first workshop can also be found at this site.

Thank you for your time and we look forward to seeing you at the workshop on May 9, 2002. Please direct any questions or comments to David Johnston at (317) 232-4234.

Sincerely,

Chairman William McCarty

Enclosure: Agenda for May 9, 2002 Workshop